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FARM VALUES AND TAXES MOVE HIGHER

THE average dollar value per acre of farms in each State from 1910 through November 1950 is shown on the following charts. Tax figures, gathered by the Bureau of Agricultural Economics, are plotted on the charts in red. The taxes and farm values shown include both land and buildings. Including buildings in the values of farm lands increases the value per acre in States with small farms more than in States where the farms are large, since $3,000 worth of buildings on a 100-acre farm will increase the value per acre by $30, while the same improvements on a 1000-acre farm will increase the value only $3 per acre.

After falling steadily for almost a year and a half, farm land values started moving up during early 1950. They are now 7½% above their recent low point reached in November 1949. This rise in the average value per acre of all United States farm lands coincided with the brisk increase in the price of most consumer

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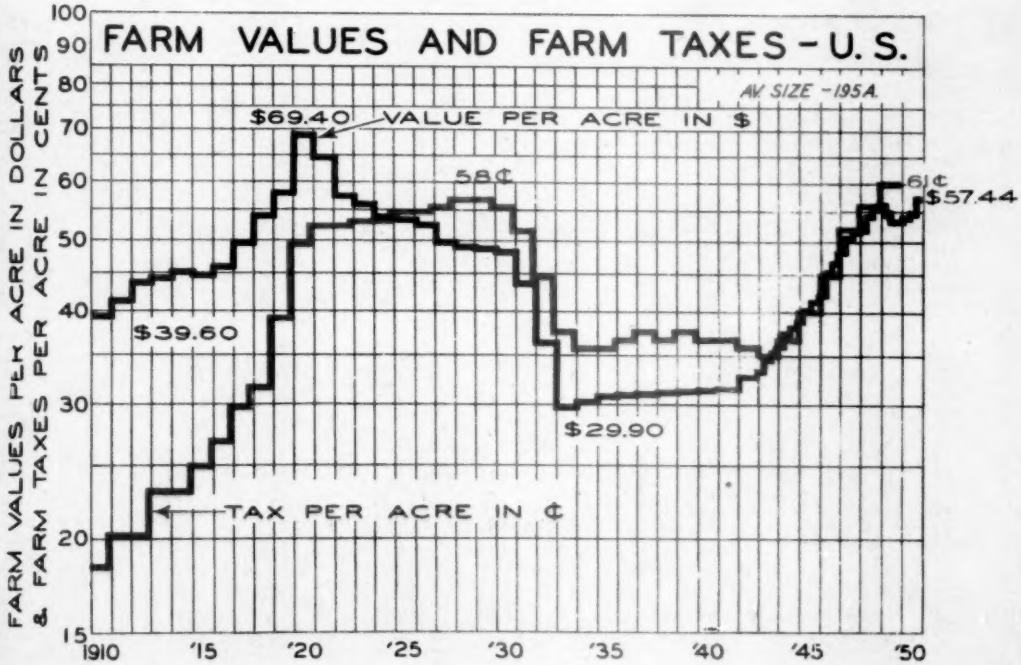

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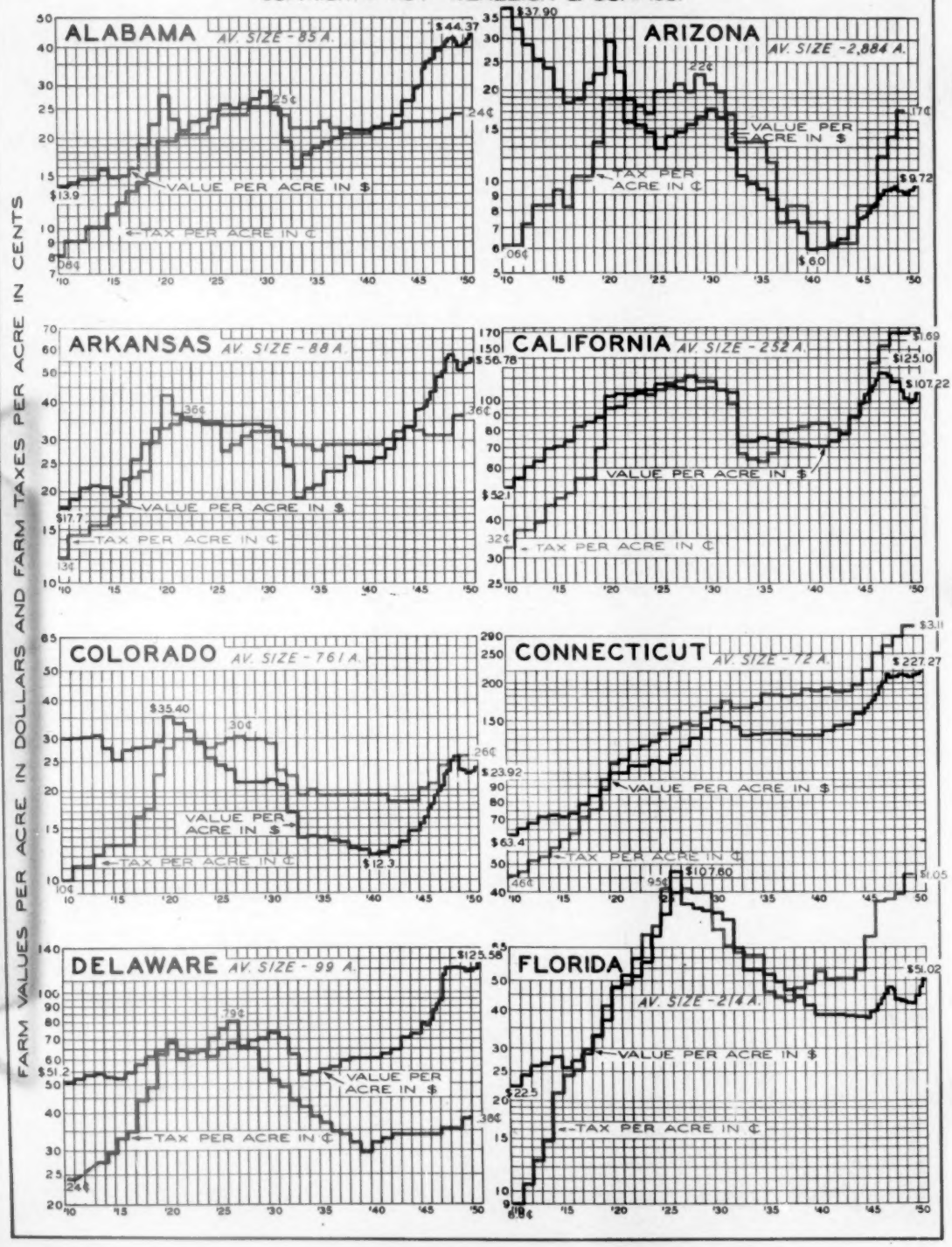

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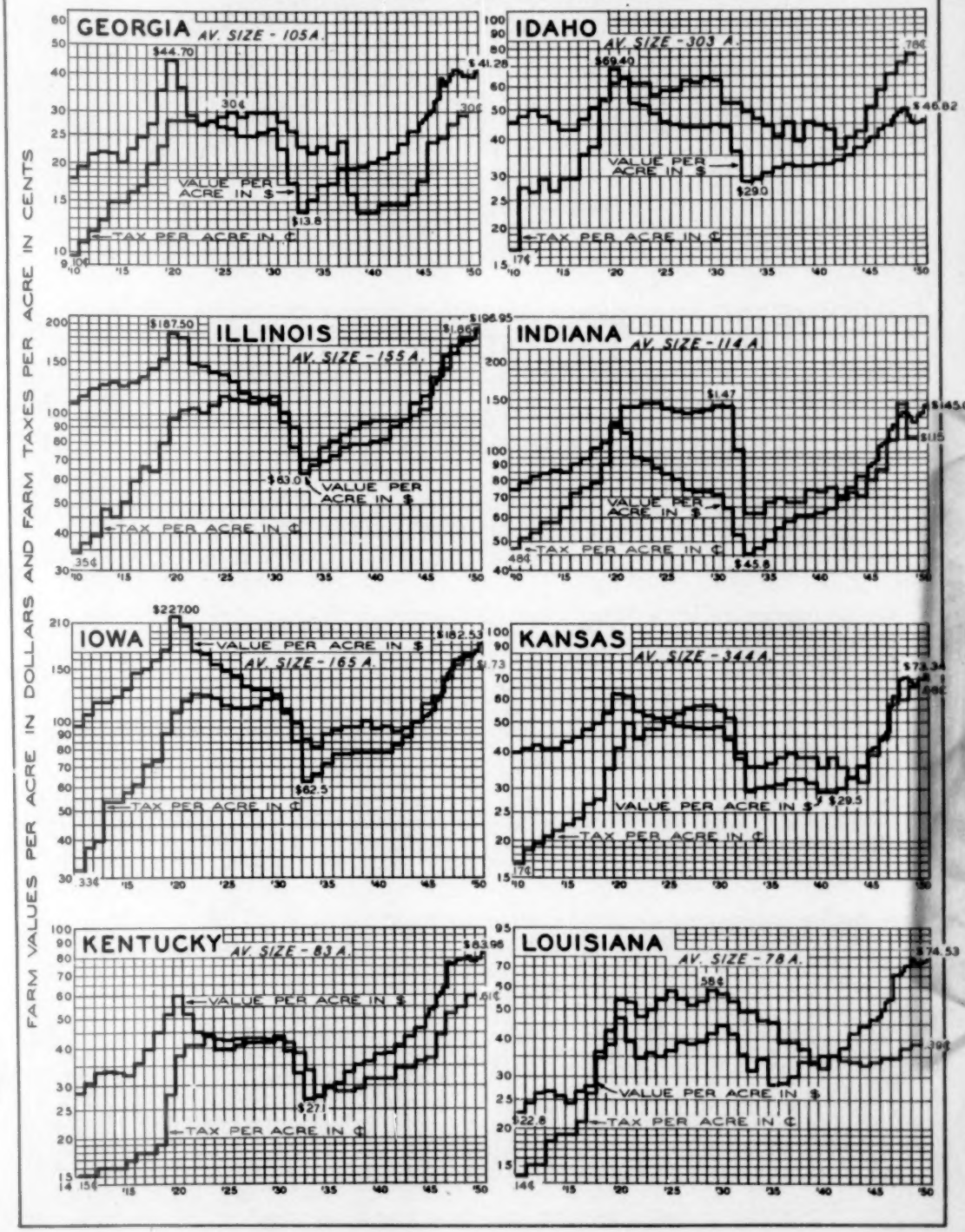

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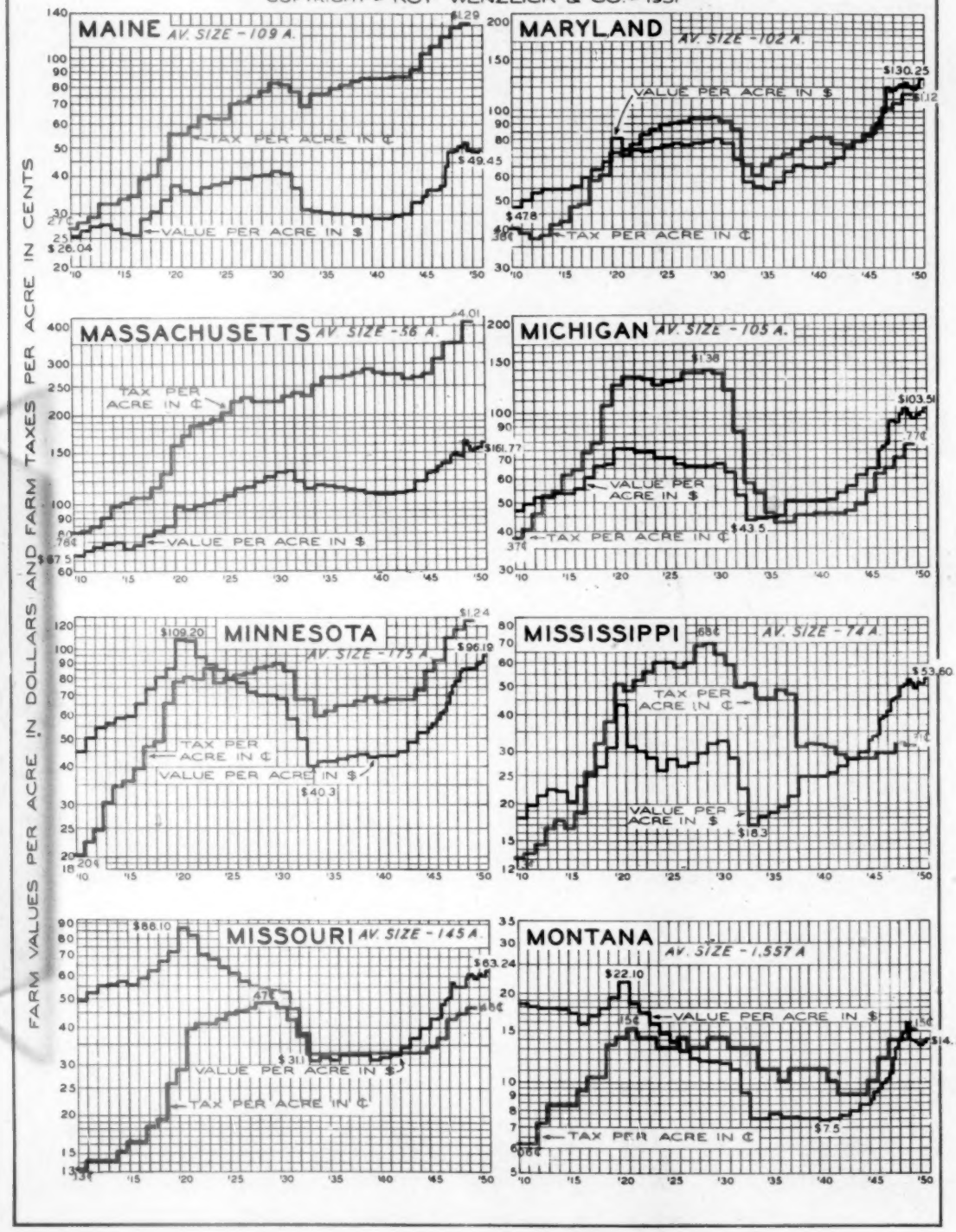

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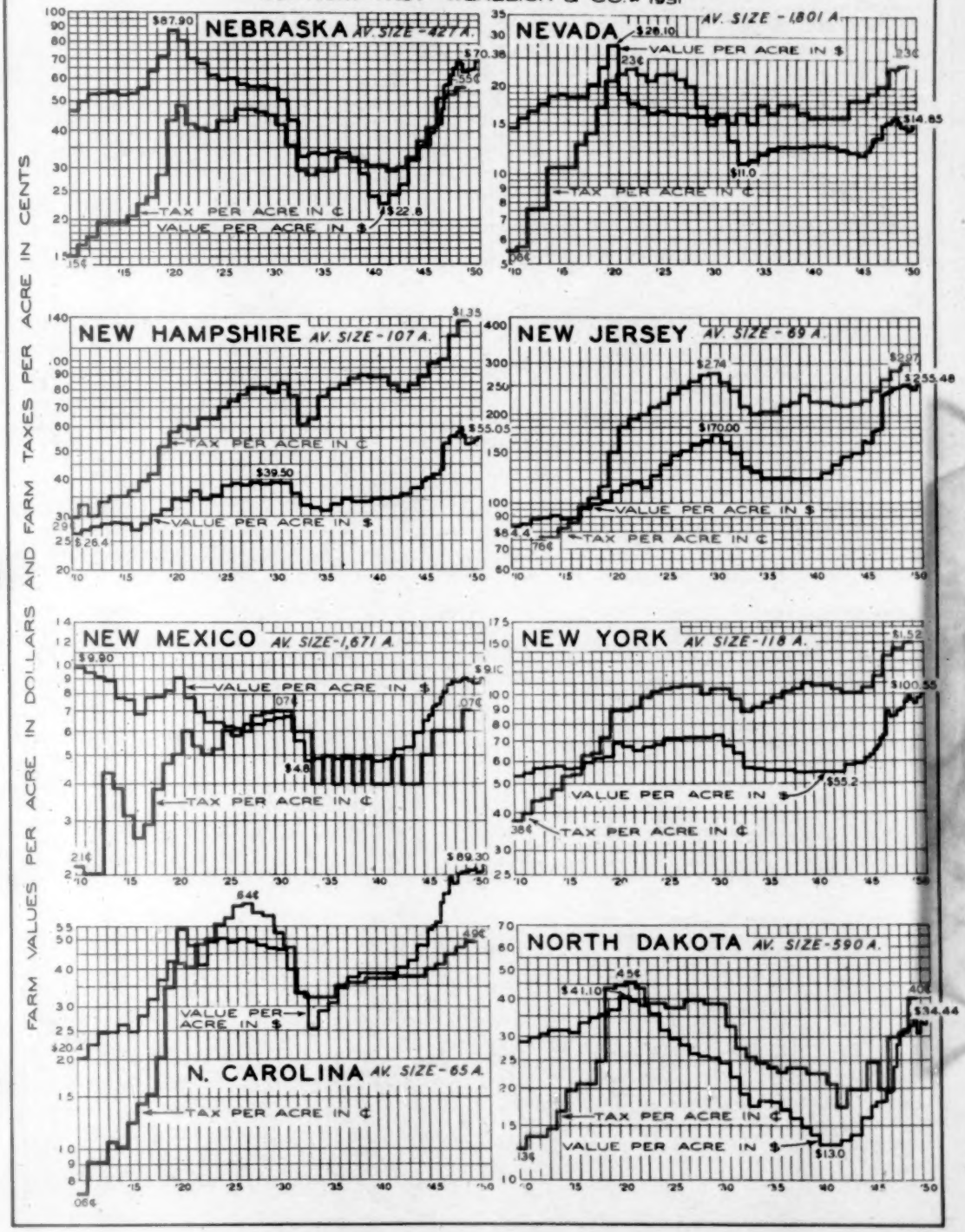

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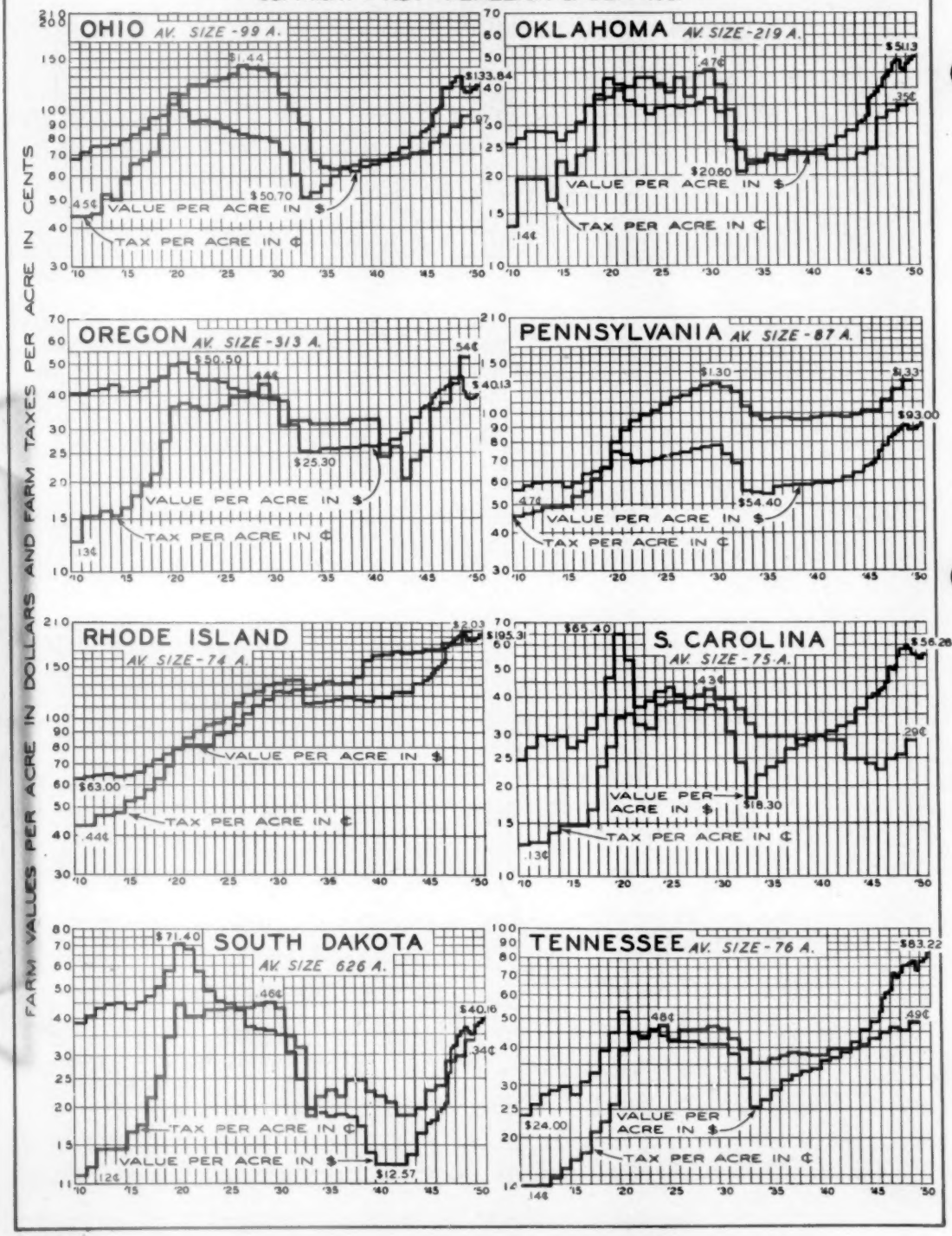

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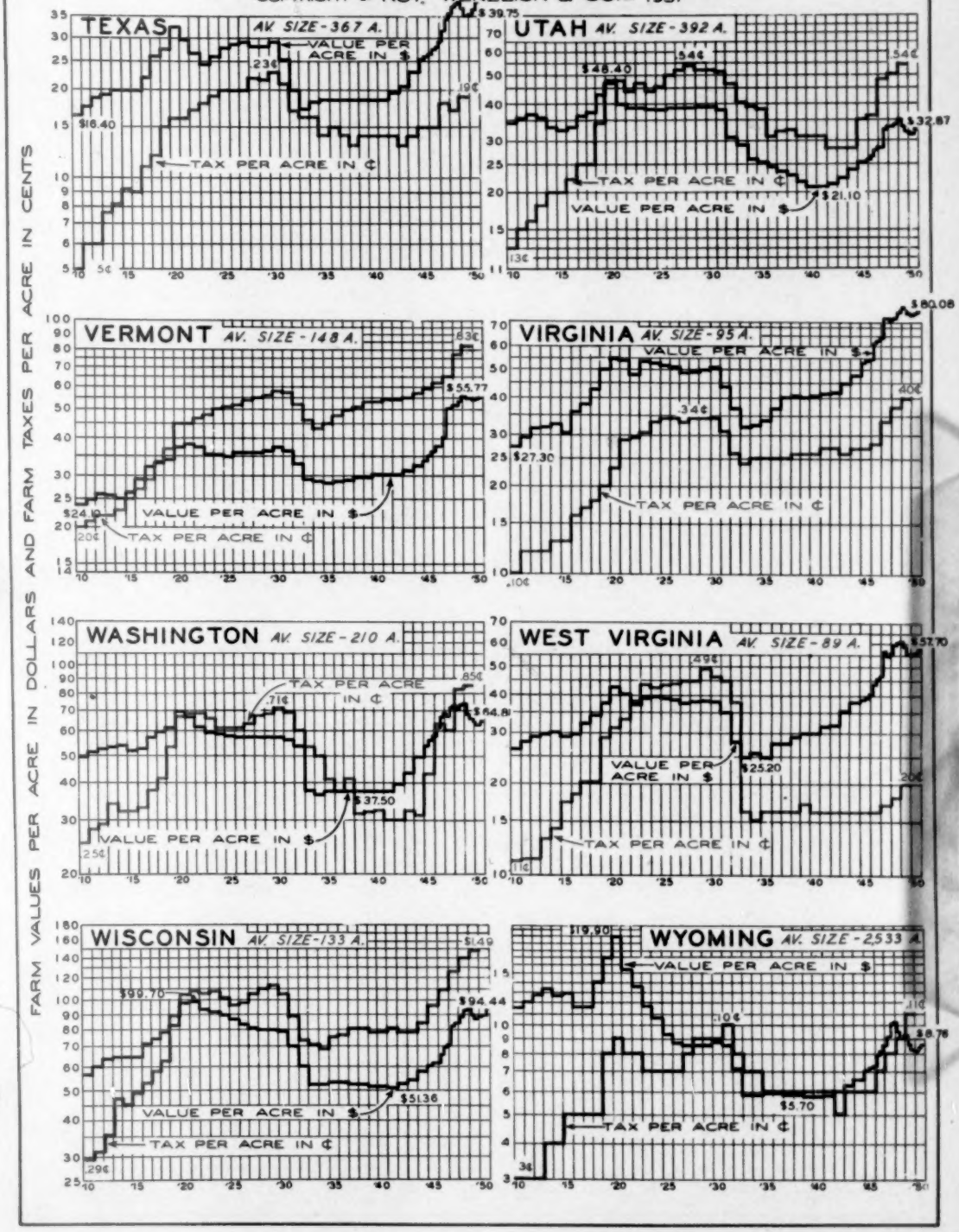

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goods, and has carried the national average to a new postwar peak of $57.44. The previous peak was reached in 1920, with an average value of $69.40 per acre. The present level is more than 17% below the 1920 peak.

Exactly one-half of the 48 States have seen the average value per acre of their farm lands exceed the postwar peak. Of those 24 States where farm values have not climbed back to the postwar peak, only California, Texas and North Dakota are considered important agricultural States. All of the other important agricultural States now have farm values in excess of their previous postwar high.

During the past year (actually November 1949-November 1950) the boom in citrus lands has sent the average value of Florida farm acreage from $43.00 to $51.00, a rise of almost 19%. This was the biggest percentage increase made during the year. Indiana and South Dakota recorded increases of 14% during the same period and gains of 11% in average values per acre were achieved in Illinois, Oklahoma, Tennessee and Texas. Since farm incomes were dropping slowly during most of this rise, the increased demand for farm land has come from those seeking hedges against inflation.

There were 7 States where the value per acre remained practically the same during the year. They were: Nevada, New Hampshire, New Mexico, North Dakota (although South Dakota gained 14%), Oregon, Utah and Vermont.

Only one State recorded a decline from last year in farm land values. Although recovering slightly since the start of the Korean War, Washington fell 2% during the year and its average value per acre is now almost 13% below its postwar peak.

The rise in farm land values has generally been a trifle faster since open warfare began. In New Jersey, where the highest priced farm land (on a State-wide average) is found, there was no increase from November 1949 to July 1950, but since then there has been a 3% increase. California's increase has all been since July 1950, as has most of the increase in the Corn Belt and in Texas.

Average taxes per acre for 1949 (last data available) stood at 61¢ and showed a 7% rise over the 1948 figure of 57¢. This is the sixth consecutive year of tax increases. No doubt 1950 will be the seventh. There were 15 States where the average tax per acre was still below its previous peak, and about a half dozen States where the average tax per acre just equaled the previous peak. Taxes in all others were above it. One State, Mississippi, recorded a tax decrease during 1949 of one cent per acre.